MARGARET LAKE DIAMONDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS
MAY 31, 2015

1.1 Date

This Management Discussion and Analysis ("MD&A") of Margaret Lake Diamonds Inc. (the "Company") has been prepared by management as of September 25, 2015 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the years ended May 31, 2015 and 2014, which were prepared in accordance with International Financial Reporting Standards (IFRS). All financial data presented in the MD&A are prepared in accordance with IFRS and presented in Canadian dollars.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's current and future expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of its airborne geophysical survey results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually explored and/or developed. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

1.2 Overall Performance

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on February 9, 2011.

On September 6, 2011, the Company completed its Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") raising $200,000 through the issuance of 2,000,000 pre-consolidated common shares of the Company at a price of $0.10 per share.

The Company's common shares were approved for listing on the Exchange and commenced trading effective September 7, 2011 under the symbol JAI.P.

Effective September 10, 2013, the Exchange suspended the common shares of the Company for failure to complete a qualifying transaction ("QT") by the 24 month anniversary date of September 9, 2013. Pursuant to the Exchange Policy 2.4 Capital Pool Company, on November 15, 2013, the Company transferred its listing to the NEX board of the Exchange, cancelled 1,550,000 pre-consolidated escrow seed shares and returned them to its treasury. Effective December 10, 2013, the Company commenced trading under the symbol JAI.H.

Effective March 27, 2014, the Company changed its name to Margaret Lake Diamonds Inc., consolidated its issued and outstanding shares on a 2 old for 1 new basis, and changed its symbol to DIA.H. All shares and per share references in these financial statements have been retroactively restated accordingly.

On April 22, 2014, the Company received final approval from the Exchange for its QT. Pursuant to an assignment agreement dated March 14, 2014 (the “Assignment Agreement”) with Harsbo Minerals Ltd. (“Harsbo”), the Company was granted the sole and exclusive option (the "Option") to acquire up to a seventy percent (70%) undivided interest in nineteen (19) mineral claims located in the Northwest Territories, Canada, known as the Margaret Lake Diamond Property (the “Margaret Lake Property”), which lies contiguous and to the north and west of Kennady Diamonds Inc.'s Kennady North Project. In consideration of the assignment of the Option, on closing the Company issued Harsbo 6,000,000 escrow shares, releasable under the terms of a value escrow agreement. As a result of closing the QT, the Company is no longer a Capital Pool Company, and has been listed as a “Tier 2” mining issuer on the Exchange trading under the symbol “DIA”.

During the 2014-2015 exploration season, the Company earned an initial 60% interest in the Margaret Lake Property. To earn its 60% interest, the Company was required to make cash payment in lieu of filing assessment work in 2013 and incur not less than $1,000,000 in expenditures by October 13, 2014. The Company has exceeded the first year expenditure requirement, having undertaken ground till sampling, an airborne geophysical survey and bathymetry analysis on the Margaret Lake Property. Further analyses of the exploration programs are included in the sections below.

On July 6, 2015, the Company entered into a Mineral Property Transfer Agreement (“Transfer Agreement”) with Margaret Lake Diamonds Ltd. ("MLDL") to acquire the remaining 40% interest in the Margaret Lake Property held by MLDL. The proposed acquisition has been conditionally accepted by the Exchange. The Company will issue 6 million common shares of the Company to MLDL on the final approval of the Exchange. The successful negotiation of 100% interest in the Margaret Lake Property places the Company in a strong position to advance the property in the most efficient manner.

On August 28, 2014, the Company signed a property option agreement with Canterra Minerals Corporation (“Canterra”) (the “Marlin Property Option Agreement”) whereby the Company has been granted the right to acquire an aggregate of 49% right, title and interest in and to Canterra’s Marlin Property (the “Marlin Property”) in the Northwest Territories. To date, the total exploration expenditures of $524,333 have been incurred and reported by the Company, which are in excess of the first year First Option requirement of $500,000.

The Company also staked and owns a 100% interest in four additional claims to the north and contiguous to the Margaret Lake Property totaling 3,483 hectares (the “Kirk Lake Property”).

The Company has filed a Filing Statement dated April 16, 2014 in respect of the QT and a Technical Report dated March 27, 2014 by Gary Vivian, M.Sc.,P.Geo. on the Margaret Lake Property on SEDAR. The Company also filed an assessment report with the Government of Northwest Territories to register the 2014 work program on the Margaret Lake Property.

In May 2015, the Company has obtained a Type 'A' Land Use Permit from the Mackenzie Valley Land and Water Board. This permit is effective for 5 years through to May 2020. With the necessary Land Use Permit issued, the Company will move forward with its planning for a drill program.

During the year ended May 31, 2015, the Company completed the following equity financings:

- In October 2014, a flow-through private placement of 1,160,000 flow-through shares at a price of $0.28 per share for gross proceeds of $324,800;

- In October 2014, a private placement of 1,070,000 units at a price of $0.25 per unit for gross proceeds of $267,500. Each unit consisted of one common share and one-half share purchase warrant; each warrant entitles the holder to purchase one common share at a price of $0.30 per share for a one year period; and

- In March 2015, a flow-through private placement of 559,000 flow-through shares at a price of $0.18 per share for gross proceeds of $100,620.

The proceeds of the private placements were used for the diamond exploration programs on the Margaret Lake, Marlin Lake and Kirk Lake properties, and a proportion towards general working capital.

Margaret Lake Property

The Margaret Lake Diamond Property is located 300 kilometers east-northeast of Yellowknife, Northwest Territories in the District of MacKenzie. The Property lies just 78 km north of the East Arm of Great Slave Lake and is bounded to the south by both the Kennady Diamonds and De Beers/Mountain Province Diamonds Gahcho Kué joint venture ground packages. The land package comprises nineteen (19) mineral claims totalling 48,720.2 acres or 19,716.37 hectares.

The Margaret Lake Property covers a portion of the southeastern Slave Geological Province, an Archean terrane ranging in age from 4.03 Ga to 2.55 Ga (Bleeker et al., 1999). The area consists of predominantly granitic to granodioritic intrusions, high-grade gneisses and migmatites, along with primarily sedimentary supracrustal rocks to the east.

The emplacement of kimberlite bodies in the area is believed to have occurred approximately 542 Ma during the Cambrian Period. 87Rb-87Sr geochronology indicates that the age of the 5034 pipe in the Gahcho Kué cluster is 542.2 ± 2.6 Ma (Heaman et al., 2003). Erosional processes since emplacement have had the significant effect of stripping the kimberlites down to their root zones, preserving only the hypabyssal and diatreme facies.

The Company has earned 60% interest in the Margaret Lake Property by making cash payments in lieu of filing assessment work ($102,312 paid by Harsbo) and incurring over $1,000,000 in qualified exploration expenditures by October 13, 2014, pursuant to the terms of the underlying option agreement between Harsbo and MLDL.

The Company could earn a further 10% interest for a total 70% undivided interest in the Margaret Lake Property by incurring an additional $1,000,000 in exploration expenditures by October 13, 2015 under the original terms of the option agreement. However, on July 6, 2015, the Company entered into the Transfer Agreement with MLDL to acquire the remaining 40% interest in the Margaret Lake Property in exchange for 6 million common shares of the Company, subject to final Exchange approval. As a result, the Company will own 100% of the Margaret Lake Property with no ongoing work obligations and no royalties payable.

Marlin Property

On August 28, 2014, the Company signed the Marlin Property Option Agreement with Canterra, whereby the Company has been granted the right to acquire an aggregate of 49% right, title and interest in and to Marlin Property in the Northwest Territories. The Exchange approved the transaction on September 5, 2014.

The Company may exercise two options under the agreement, the first allows the Company to earn a 30% interest and the second is to earn a further 19% interest. The Company can exercise the first option to earn 30% right, title and interest in and to the Marlin property for the following consideration:

(a) Cash payments totalling $80,000 as follows:
   i) $20,000 upon signing the agreement (paid);
   ii) $20,000 on or before September 15, 2014 (“Payment Date”) (paid);
   iii) $20,000 one year from the Payment Date (paid); and
   iv) $20,000 two years from the Payment Date.

(b) Share issuances totalling 300,000 shares as follows:
   i) 100,000 common shares on or before September 15, 2014 (issued); and
   ii) 200,000 additional common shares on or before September 15, 2015 (issued).

(c) Incurring $1,000,000 in exploration expenditures as follows:
   i) $500,000 on or before September 15, 2015 (incurred), of which $100,000 must be advanced to Canterra by September 20, 2014 (paid and applied against exploration expenditures incurred by Canterra for the till sampling program); and
   ii) $500,000 on or before September 15, 2016.

The Company may earn an additional 19% interest in the Marlin Property by paying Canterra an additional $20,000 and incurring an additional $750,000 in exploration expenditures on or before September 15, 2017, the end of the third year.

After either the 30% or, if elected, the 49% earned-in, the Company and Canterra anticipate to form a joint venture for the purpose of continuing exploration and development of the Marlin Property. Upon execution of a joint venture agreement, the Company will issue Canterra a further 300,000 common shares.

Project Development Concept

The focus of the 2014-2015 exploration program on the Margaret Lake Property was to define potential kimberlite intrusive targets. Up until exploration activity ceased on the Margaret Lake Property, no kimberlites had been discovered but kimberlites commonly occur in clusters, the structural ground preparation underlying the property is extensive, and there appear to be unresolved kimberlite indicator mineral trains.

The proximal location to Gahcho Kué and the recent exploration results from Kennady Diamonds Inc. has encouraged the Company to be aggressive in an exploration program that would allow it to identify potential kimberlite bodies within their project area. Potential economies of scale could be gained with the operators in the close proximity to the Margaret Lake Property.

The 2014 exploration program consisted of the airborne gravity gradiometer (“AGG”) survey using the HeliFalcon gravity gradiometer system over the entire Margaret Lake Property, the northern portion of the Marlin Property and Kirk Lake area. The survey encompassed approximately 4,932.7 line kilometers in total, flown at 75 metre line spacing to obtain high-definition gravity-gradiometry and magnetic gradiometry.

The 12 high priority targets were selected from over 60 distinct gravity anomalies generated by the AGG survey. Targets were given priority based on anomaly strength, shape, and structural setting. Anomalies with favourable coincident magnetic and electromagnetic responses were assigned a higher priority, as were those in the vicinity of till derived indicator minerals from prior exploration surveys.

A digital terrain model together with detailed bathymetric analysis, using WorldView2 high-resolution satellite imagery, has also been conducted for the Margaret Lake Property, Kirk Lake and Marlin ground and applied to the gravity data. This will enhance data interpretation and potential target definition. Geophysical data has been processed by the contractor and has now undergone analysis by a geophysical consultant to define potential kimberlite targets for a drill program.

The Company also completed a till sampling program taking 160 samples across the Margaret Lake Property. These samples have undergone processing for indicator mineral recoveries and analysis.

On the Marlin Property, a total of 126 till samples were collected by Canterra and results have produced a 1.0 x 1.0 x 1.4 mm off-white, modified octahedral diamond, as well as several anomalous indicator minerals including pyropes recovered from neighbouring samples.

Potential drill targets which have been identified from this work and will be investigated further with diamond or RC drilling utilizing heli-portable equipment.

The following table summarizes the Company's exploration and evaluation asset expenditures incurred to May 31, 2015:

	Margaret Lake	Marlin Property	Kirk Lake	Total
Acquisition Costs:				
Balance, May 31, 2013	$ –	$ –	$ –	$ –
Additions:				
6,000,000 common shares	600,000	–	–	600,000
500,000 finders' fee shares	50,000	–	–	50,000
Legal and regulatory costs	77,872	–	–	77,872
Balance, May 31, 2014	727,872	–	–	727,872
Additions:				
Cash payments	–	40,000	16,000	56,000
100,000 common shares	–	28,000	–	28,000
Legal and regulatory costs	23,431	11,153	–	34,584
Balance, May 31, 2015	$ 751,303	$ 79,153	$ 16,000	**$ 846,456**
Deferred exploration costs:				
Balance, May 31, 2013	$ –	$ –	$ –	$ –
Additions:				
Technical reports	11,000	–	–	11,000
Airborne survey	27,465	–	–	27,465
Balance, May 31, 2014	38,465	–	–	38,465
Additions:				
Airborne survey	787,695	355,247	137,370	1,280,312
Bathymetry	48,586	38,553	7,473	94,612
Community consultations	8,343	–	–	8,343
Exploration consulting	66,500	–	–	66,500
Technical reports	6,746	–	–	6,746
Till sampling	101,447	130,533	–	231,980
Balance, May 31, 2015	$ 1,057,782	$ 524,333	$ 144,843	**$ 1,726,958**
Exploration and evaluation assets:				
Balance, May 31, 2014	$ 766,337	$ –	$ –	**$ 766,337**
Balance, May 31, 2015	**$ 1,809,085**	**$ 603,486**	**$ 160,843**	**$ 2,573,414**

1.3 Selected Annual Information

For the year ended May 31,		2015		2014		2013
Interest income	$	79	$	595	$	1,638
Net Loss	$	(107,449)	$	(251,351)	$	(148,451)
Loss per share	$	(0.00)	$	(0.05)	$	(0.15)
Total assets	$	2,856,725	$	1,972,358	$	118,456
Total long term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Years ended May 31, 2015 and 2014

During the year ended May 31, 2015, the Company reported a comprehensive loss of $107,449 or $0.00 per share as compared to a loss of $251,351 or $0.05 per share in fiscal 2014, a decrease in loss of $143,902. The decrease in loss was primarily due to a deferred tax recovery of $103,768 (2014 - $Nil) as a result of the amortization of flow-through premium liabilities recorded in connection to the flow-through placements completed by the Company in 2014 and 2015 and decreases in operating expenses of $40,134.

The Company's net loss for the year ended May 31, 2015, not factoring in non-cash transactions of stock-based compensation expense, accretion and interest expense accrued on convertible debt and deferred tax recovery of flow-through liabilities, was $162,334 (2014 - $193,084), a decrease of $30,750. The higher operating expenses in fiscal 2014 were related to the completion of the QT.

Total interest income for the year ended May 31, 2015 was $79 compared to $595 last year. The Company earned interest on its fully redeemable investment in a guaranteed investment certificate that matured in January 2015. The decrease in interest income was a result of the lower balances of the investment.

Total general and administration expenses decreased by $40,134 due to decreases in due diligence of $1,602, interest income of $516, professional fees of $85,097, regulatory fees of $5,269, stock-based compensation expense of $24,152 and transfer agent fees of $1,566, offset by increases in accretion of convertible debt of $3,803, interest expense of $10,965, office and administration of $25,305, rent of $11,000 and travel and promotion of $25,813.

The Company recognized accretion expense of $7,224 (2014 - $3,421) and interest expense of $16,096 (2014 -$5,131) on a convertible loan with the principal amount of $204,000 bearing interest at 9% per annum (see section 1.9 Transactions with Related Parties).

Office and administration expenses increased due to increased monthly administrative fees, pursuant to the rent and administrative services contract dated May 1, 2014 (see section 1.9 Transactions with Related Parties) and general increased business activities of the Company.

During the year ended May 31, 2015, the Company incurred a full year of rental fees whereas fiscal 2014 only included one month of fees.

Professional legal fees decreased by $90,545, as a result of higher legal fees incurred in fiscal 2014 in connection with the QT, acquisition of mineral properties, negotiation of exploration agreements, private placements and the annual general meeting of the shareholders of the Company, which was partially offset by an increase in accounting and auditing fees of $5,448.

The Company recognizes compensation expense for all stock options granted, using the fair value based method of accounting and any cash paid on the exercise of stock options is added to the stated value of common shares. The Company recorded stock-based compensation expense of $25,563 (2014 – $49,715) on the vested portion of the options granted to directors, officers and employees of the Company in April 2014.

Travel and promotion increased due to increased marketing, promotional events and presentations held by the Company for potential investors and a senior management trip to Toronto.

Three months ended May 31, 2015 and 2014

During the three months ended May 31, 2015, the Company incurred a loss of $36,009 or $0.00 per share as compared to a loss of $216,450 or $0.04 per share during the fourth quarter of fiscal 2014, a decrease in loss of $180,441.

The decrease in net loss was due to a decrease in operating expenses of $168,841 and the deferred income tax recovery of $11,600 from the amortization of flow-through premium liabilities recorded in connection with the flow-through private placements completed in fiscal 2014 and 2015.

The decreases in operating expenses during the comparative quarters are primarily resulted from a decrease in legal fees of $111,014 and stock-based compensation expense of $49,715. The higher legal fees incurred during the same quarter in fiscal 2014 were all related to the completion of the QT and acquisition of mineral properties. Stock-based compensation expense was related to the April 2014 stock options grant, which were fully vested within six months from the date of grant.

1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the last eight reported quarters.

Quarter ended	Interest Income	Loss	Loss per share
May 31, 2015	$ -	$ (36,009)	$ (0.00)
February 28, 2015	16	(30,418)	(0.00)
November 30, 2014	31	(25,802)	(0.00)
August 31, 2014	32	(15,220)	(0.00)
May 31, 2014	90	(216,450)	(0.04)
February 28, 2014	66	(8,819)	(0.00)
November 30, 2013	182	(19,361)	(0.01)
August 31, 2013	257	(6,721)	(0.00)

Quarter End Period	Variance Analysis
May 31, 2015 November 30, 2014 August 31, 2014	Lower loss due to deferred income tax recovery as a result of amortization of flow-through liabilities.
May 31, 2014	Higher loss due to due diligence expenses, professional fees, regulatory and transfer agent fees incurred in connection with the completion of the QT, and stock-based compensation expense for newly granted stock options.
February 28, 2014 November 30, 2013 August 31, 2013	Lower loss as the Company did not incur any QT related costs.

1.6 Liquidity and Capital Resources

The Company reported a working capital deficiency of $95,412 at May 31, 2015 compared to working capital of $899,906 at May 31, 2014, representing a decrease in working capital by $995,318. The decrease in working capital was primarily a result of exploration and evaluation expenditures and general administrative expenses.

Net cash decreased by $704,677 from $965,357 at May 31, 2014 to $260,680 at May 31, 2015. During the year ended May 31, 2015, the Company utilized its cash as follows:

(a) $117,413 was used in operating activities, consisting primarily of general and administrative expenditures and changes in non-cash items;
(b) $1,285,082 was used for exploration of mineral resource properties net of exploration advances; and
(c) $686,818 was received from the private placements net of finders' fees and regulatory filing fees of $42,182.

Current assets excluding cash as at May 31, 2015 consisted of sales taxes recoverable of $19,598 and prepaid expenses of $3,033. Current assets excluding cash as at May 31, 2014 consisted of a short term investment of $11,000, receivables of $25,800, consisting of interest receivable of $42 and sales taxes recoverable of $25,758, and exploration advances of $203,864.

Current liabilities as at May 31, 2015 consisted of trade and other payables of $302,775 (May 31, 2014 - $46,735), mainly consisting of exploration costs, due to related parties of $75,948 (May 31, 2014 – $5,236), convertible debt of $Nil (May 31, 2014 - $204,000) and flow-through premium liability of $Nil (May 31, 2014 – $57,368).

To date, the other sources of funds potentially available to the Company are through the exercise of outstanding stock options, agent's options and share purchase warrants, as listed in 1.15 Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company is engaged in the acquisition and exploration of mineral properties. These activities involve significant risks even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control.

The primary risk factors affecting the Company include the inherent risks in the mining industry and development business, environmental and health risks, regulatory constraints, economic or political conditions and commodities price fluctuation.

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral property.

Mining activities also include risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the mineral properties the Company is investigating will be economically viable for development and production.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash deposits that are held by a Canadian bank. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at May 31, 2015, the Company has cash deposits of $259,160 and cash held in trust with a legal advisor of $1,520. Management assesses credit risk of cash as low.

The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of sales taxes recoverable.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rate. The income earned on the bank account is subject to the movements in interest rates. The fair value of cash deposits is relatively unaffected by changes in short term interest rates. A 1% change in interest rates will not have a material effect to the Company.

Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at May 31, 2015, the Company had cash and cash equivalents of $260,680 (2014 -$976,357), of which $26,508 is committed to its 2015 exploration expenditures, and current cash liabilities of $378,723 (2014 - $306,115). As at May 31, 2015, the Company had working capital deficiency of $95,412 (2014 – working capital of $899,906) - new funding will be required to settle its current obligations and to continue operations.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

1.9 Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised of:

May 31,		2015		2014
Geological consulting (b)	$	60,000	$	–
Share-based payments (d)		25,024		48,668
	$	85,024	$	48,668

(a) On April 1, 2011, the Company entered into a rent and administrative services contract with Varshney Capital Corp. ("VCC"), a company partially controlled by Peeyush Varshney, a director of the Company, pursuant to which the Company was obligated to pay $1,500 per month plus taxes until the Company completes the QT. The agreement was terminated effective April 30, 2014.

After completing the QT, the Company retained VCC to provide administrative services and entered into a new rent and administrative service contract with VCC effective May 1, 2014. The Company is obligated to pay $3,000 per month plus taxes for administrative services and $1,000 per month plus applicable taxes for office premises. The agreement can be terminated with 1 month notice after the Initial Term.

During the year ended May 31, 2015, the Company paid $36,000 (2014 - $20,250) in administrative services and $12,000 (2014 - $1,000) for office rent to VCC.

(b) The Company accrued geological consulting fees of $60,000 (2014 - $Nil), recorded in exploration and evaluation assets, to a company controlled by the VP of Exploration of the Company Buddy Doyle. The amount was outstanding as at May 31, 2015 and included in due to related parties balance in the statement of financial position.

(c) During the year ended May 31, 2015, Paul Brockington, the President and CEO of the Company, converted $225,227, being the entire amount of the principal and interest outstanding under the convertible promissory note dated February 18, 2014 (Note 7), into units of the Company at a conversion price of $0.10 per unit. Each unit is comprised of one common share of the Company and one half share purchase warrant, with each such whole warrant being exercisable into one common share of the Company for a period of two years at an exercise price of $0.25.

(d) Stock-based payments are the fair value of options that have been granted to directors and executive officers, and the related compensation expense recognized over the vesting periods.

(e) The Assignment Agreement dated March 14, 2014, pursuant to which the Company was granted the option to acquire up to a 70% percent interest in the Property, involves two companies, Harsbo and MLD, with common directors and officers, being Paul Brockington, Mark Thompson and Thomas Hasek.

(f) At May 31, 2015, $12,948 (2014 - $5,236) was due to the CEO and President of the Company for expense reimbursements and $63,000 (2014 - $Nil) was due to the VP of Exploration and director of the Company for geological consulting fees.

1.10 Fourth Quarter and Subsequent Events

During the fourth quarter ended May 31, 2015, the Company completed a non-brokered private placement of 559,000 flow-through common shares of the Company at a price of $0.18 per flow-through share for total gross proceeds of $100,620.

During the quarter ended May 31, 2015, the Company incurred exploration expenditures of $83,112 including $11,225 in geophysical consulting fees, $17,000 in geological consulting fees, $46,544 for till sampling assay analysis and $8,343 for community consultations.

On April 16, 2015, the CEO and President of the Company converted $225,227, being the entire amount of the principal and interest outstanding under the convertible promissory note dated February 18, 2014, into units of the Company at a conversion price of $0.10 per unit.

During the quarter ended May 31, 2015, an aggregate of 360,800 agent's options were exercised at a price of $0.10 per share and 360,800 units consisting of one common share of the Company and one-half share purchase warrant were issued for total proceeds of $36,080. Each share purchase warrant entitles the agent to purchase one additional common share of the Company at a price of $0.25 per share for a two year period.

In May 2015, the Company has obtained a Type 'A' Land Use Permit from the Mackenzie Valley Land and Water Board effective for 5 years through to May 2020.

On July 6, 2015, the Company entered into the Transfer Agreement with MLDL to acquire the remaining 40% interest in the Margaret Lake Property held by MLD (see section 1.2 Over-all Performance).

On September 14, 2015, the Company made a cash payment of $20,000 and issued 200,000 common shares of the Company to Canterra pursuant to the terms of the Marlin Property Option Agreement (see section 1.2 Over-all Performance).

On September 25, 2015, 190,000 of previously granted stock options were exercised by the CEO and President of the Company at a price of $0.10 per share and 190,000 common shares were issued for total proceeds of $19,000.

1.11 Proposed Transactions

The Company does not have any proposed transactions as at May 31, 2015 other than as disclosed elsewhere in this document.

1.12 Critical Accounting Estimates

Not applicable to Venture Issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the audited financial statements of the Company, as at and for the year ended May 31, 2015.

New accounting standards and interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

IFRS 9, Financial instruments ("IFRS 9") was issued by the IASB on July 24, 2014 and will replace IAS 39, Financial instruments: recognition and measurement ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, trade payables and due to related parties. For further discussions of the fair values of the financial instruments and financial items please see Note 13 of the audited financial statements for the year ended May 31, 2015.

1.15 Other Requirements

Summary of Outstanding Share Data as of September 25, 2015:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: Including 4,365,000 held in escrow	27,056,080
Stock options outstanding	760,000
Warrants outstanding	6,454,535
Agent's options (entitles the agent to one common share and one-half share purchase warrant)	487,200

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Paul Brockington"

Paul Brockington
September 25, 2015